SHRIMATI PREMA CARIAPPA: Sir, there are many companies which have come and collected huge amounts of money from the public and have vanished. I would like to know from the hon. Minister what action the Government can take against those companies which have cheasted millions of small investors. I would also like to know from the hon. Minister whether the representations from small companies or associations against the guidelines were received, either by the Government or by the SEBI, after the SEBI guidelines came into effect. If so, the number of representations received and the actions that the Government would like to take.

SHRI P. CHIDAMBARAM: Sir, I have already answered the second part of the question. I cannot give the exact number of representations. I have given the gist of the representations made both by promoters of small companies on the one hand; and, by the small investors in the small companies on the other. All these representations are being looked into both by the Government and the SEBI.

As regards the first question of the hon. Member, after this Government came into force, we have taken strong action against the vanishing companies. The Ministry of Company Affairs, SEBI and the Ministry of Finance have acted jointly. The Ministry of Company Affairs, I understand, has launched prosecution against a number of companies. If you wish to have information about the number of prosecutions and the number of companies, I would respectfully request you to put a question to my colleague, the Minister of Company Affairs. He has a complete list of companies against which prosecution has been launched.

'वैट' को लागू करने के पश्चात राज्यों के राजस्व में वृद्धि

309. **श्री राज मोहिन्दर सिंह मजीठा :**

डा.मुरली मनोहर जोशी : †

क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि देश के विभिन्न राज्यों में 'वैट' लागू होने के बाद राज्यों के राजस्व में अलग-अलग दरों में वृद्धि हुई है ;

(ख) यदि हां तो वर्ष 2005-06 की प्रथम तिमाही में प्रत्येक राज्य के राजस्व में वृद्धि की दर क्या थी ; और

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†The question was actually asked on the floor of the house by Dr. Murli Manohar Joshi.

(ग) राजस्व में वृद्धि की दर अलग-अलग होने के क्या कारण हैं?

वित्त मंत्री (श्री पी.चिदम्बरम) (क) से (ग) एक विवरण पत्र सभा पटल पर रख दिया गया है।

विवरण

(क) से (ग) यह सच है कि विभिन्न राज्यों ने वैट के क्रियानवयन के पश्चात अपने राजस्वों में वृद्धि की विभिन्न दरें दर्ज की हैं। चालु वित्तीय वर्ष की पहली तिमाही के दौरान विभिन्न राज्यों के कर राजस्व की स्थिती पिछले वर्ष की तदनुरूप अवधि की तुलना में निर्दिष्ट करने वाला विवरण-1 संलग्न है।

कर राजस्व में वृद्धि अथवा कमी की दर बहुत से कारकों पर निर्भर करती है। कर में उछाल एक राज्य से दूसरे राज्य में भिन्न-भिन्न है। इसके अलावा, यद्यपि वैट के तहत कर संरचना सभी राज्यों में लगभग एक समान है फिर भी विभिन्न राज्यों में पहले के बिक्री कर शासन के तहत भिन्न कर संरचनाएं थीं। इसके फलस्वरूप, राज्य, जिनकी पहले सामान्यतः संयत कर संरचना थी, ने राज्य जिनमें पहले के बिक्री कर शासन के तहत अपेक्षाकृत, ऊंची कर की दरें थीं, की तुलना में राजस्व में वृद्धि की उंची दरें दर्ज की होंगी।

विवरण-।

वैट कार्यान्वित करने वाले राज्यों/संघ राज्य क्षेत्रों के कर राजस्व की स्थिति

(रू. करोड़ों में)

क्रम सं.	राज्य/संघ राज्य क्षेत्रों	2004-05 की प्रथम तिमाही के दौरान कर राजस्व	2005-06 की प्रथम तिमाही के दौरान कर राजस्व	वृद्धि दर (2004-05 की तुलना में 2005-06)
1	2	3	4	5
1.	आन्ध्र प्रदेश	2334.59	2412.62	3.3 %
2.	अरूणाचल प्रदेश	6.20	7.51	21.1 %
3.	असम	227.52	242.83	6.7 %
4.	बिहार	269.41	231.83	-13.9 %
5.	दादरा और नगर हवेली	16.31	27.25	67.1 %
6.	दमन एवं दीव	20.06	24.16	20.4 %
7.	दिल्ली	1208.65	1509.65	24.9 %
8.	गोवा	134.14	187.14	39.5 %
9.	हिमाचल प्रदेश	120.99	149.48	23.5 %
10.	जम्मू एवं कश्मीर	138.10	150.35	8.9 %

1	2	3	4	5
11.	कर्नाटक	2161.30	2758.96	27.7 %
12.	केरल	1136.33	1206.31	6.2 %
13.	महारष्ट्र	2390.67	2611.44	9.2 %
14.	मणिपुर	-	-	-
15.	मेघालय	-	-	-
16.	मिजोरम	3.87	9.75	151.9 %
17.	नागालैंड	4.90	7.41	51.2 %
18.	उडीसा	231.21	315.15	36.3 %
19.	पंजाब	778.73	1082.45	39.0 %
20.	सिक्किम	8.86	8.77	-1.0 %
21.	त्रिपुरा	31.37	33.89	8.0 %
22.	पं. बंगाल	961.10	1073.86	11.7 %
	योग	12184.31	14050.81	15.3 %

टिप्पणी :

1. इस विवरण पत्र में वर्ष 2005-06 के दौरान वैट का कार्यान्वयन करने वाले 22 राज्यों/संघ राज्य क्षेत्रों के कर राजस्व के आंकड़े निहित हैं ।
2. कर राजस्व के आंकड़े अनंतिम हैं तथा ए जी समन्वय के दौरान संशोधनाधीन हैं
3. कर राजस्व आंकडे वैट बाह्य मदों से प्राप्त संग्रहण सहित सकल आंकड़े हैं ।
4. मणिपुर से कर राजस्व के आंकड़े अभी उपलब्ध नहीं हैं क्योंकि राज्य ने केवल 1 जुलाई, 2005 से वैट क्रियान्वित किया है । ये आंकड़े सितम्बर, 2005 से आगे उपलब्द होंगे ।
5. मेघालय के आंकड़े अभी उपलब्ध नहीं हैं क्योंकि उनकी तिमाही विवरण देने की प्रणाली है । अतः सूचना अगस्त 2005 के बाद के भाग में ही उपलब्ध होगी ।

Revenue of States after implementation of VAT

†*309. SHRI RAJ MOHINDER SINGH MAJITHA:

DR. MURU MANOHAR JOSHLtt

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that various States in the country have registered different rates of increase in their revenue after implemetation of VAT;

(b) if so, the rate of increase recorded by each of the States during the first quarter of the year 2005-06; and

†Originai notice of the question was received in Hindi.
††The question was actually asked on the floor of the house by Dr. Murli Manohar Joshi.

(c) the reasons for different rates of increase in revenue?

THE MINISTER OF FINANCE (SHRI P. CHIDAMARAM): (a) to (c) A Statement is placed on the Table of the House.

Statement

(a) to (c) it is a fact that various States have registered different rates of increase in their revenues after implementation of VAT. Statement-I indicating the position of tax revenues of various States during the first quarter of the current financial year, *vis-a-vis* the corresponding period of the last year is enclosed.

The rate of increase or decrease in tax revenues depends on a number of factors. The tax buoyancy varies from State to State. Moreover, while the tax structure under VAT is more or less uniform in all States, various States had different tax structures under the earlier Sales Tax regime. As a result, the States which had generally moderate tax structure earlier, would have recorded higher rates of increase in revenue, as compared to the States which had relatively.higher tax rates under the Sales Tax regime earlier.

Statement-I

Position of Tax Revenue of VAT implementing StatesAITs

(Rs. in Crores)

SI.No	State/UT	Tax Revenue during First Quarter of 2004-05	Tax Revenue during First Quarter of 2005-06	Growth Rate (2005-06 over 2004-05)
1	2	3	4	5
1.	Andhra Pradesh	2334.59	2412.62	3.3%
2.	Arunachal Pradesh	6.20	7.51	21.1%
3.	Assam	227.52	242.83	6.7%
4.	Bihar	269.41	231.83	-13.9%
5.	Dadra and Nagar Haveli	16.31	27.25	67.1%
6.	Daman & Diu	20.06	24.16	20.4%
7.	Delhi	1208.65	1509.65	24.9%
8.	Goa	134.14	187.14	39.5%
9.	Himachal Pradesh	120.99	149.48	23.5%
10.	Jammu & Kashmir	138.10	150.35	8.9%
11.	Karnataka	2161.30	2758.96	27.7%
12.	Kerala	1136.33	1206.31	6.2%

1	2	3	4	5
13.	Maharashtra	2390.67	2611.44	9.2%
14.	Manipur			
15.	Meghalaya		-	
16.	Mizoram	3.87	9.75	151.9%
17.	Nagaland	4.90	7.41	51.2%
18.	Orissa	231.21	315.15	36.3%
19.	Punjab	778.73	1082.45	39.0%
20.	Sikkim	8.86	8.77	-1.0%
21.	Tripura	31.37	33.89	8.0%
22.	West Bengal	961.10	1073.86	11.7%
	TOTAL:	12184.31	14050.81	15.3%

Notes:

1. This Statement contains tax revenue figures of 22 States/UTs that have implemented VAT during 2005-06.
2. The Tax Revenue figures are provisional and are subject to revision during AG reconciliation.
3. The Tax Revenue figures are Gross figures, including collection from non-VAT item.
4. The Tax Revenue figures from Manipur are not yet available since the State implemented VAT from 01 July, 2005 only. The same will be available from Sept., 2005 onwards.
5. The figures from Meghalaya are not yet available as they have a system of Quarterly Returns. Hence, information will be available in later part of this August, 2005 only.

डा. मुरली मनोहर जोशी : श्रीमन, इस विवरण के अध्ययन से यह पता लगता है कि विभिन्न राज्यों में "वैट" के प्रचलन के बाद टैक्स रेवेन्यू से जो आमदनी हुई है, उस की दरें भिन्न-भिन्न हैं। इसमें बिहार राज्य है जिसमें ग्रोथ रेट (-) 13.9 परसेंट है। इसका अर्थ है कि वहां "वैट" लगने के बाद रेवेन्यू बहुत घट गया है। अब सवाल यह है कि जिस समय 2004-2005 का फर्स्ट क्वार्टर आया, उस समय वहां चुनी हुई सरकार थी और इस समय वहां केन्द्र का शासन है, तो यह 13.9 परसेंट की जो कमी हुई है, इसका क्या कारण है? दूसरे, क्या इसको पूरा करने के लिए केन्द्र सरकार सहायता देगी क्योंकि अगर "वैट" लगने से किसी राज्य के रेवेन्यू में नुक्सान हो रहा है, तो उसको पूरा करने के लिए केन्द्र सरकार उस राशि की भरपायी करे।

SHRI P. CHIDAMBARAM: Sir, VAT is a State tax. VAT is intended to replace the erstwhile Sales Tax, which is a law of the State under Entry-54 of Lisf-ll of the Seventh Schedule. The Government of India's role is that of a facilitator. It is the States in a meeting and in a formally constituted Empowered Committee which have voluntarily and willingly adopted VAT to replace Sales Tax because we believe, and most people believe, that it is a more efficient tax, it is a revenue enhancing tax, it is a fair and

transparent tax. Now, yes, Bihar is reporting in the first quarter a 13.9 per cent decline in VAT revenues as opposed to the Sales Tax revenues of the corresponding quarter of the last fiscal. This could be because of a multiplicity of reasons. One of the reasons could be that some Sales Tax rates were much higher and the common agreed VAT rate on that commodity would be much lower and, therefore, there would indeed be a revenue loss on that commodity. It could also be because of the poor administration, it could also be because VAT Is a new law and it takes some time for the law to be understood, accepted and obeyed by the taxpayer. I do not think this House should reach any conclusions based on one quarter. We are replacing a law, the Sales Tax law, which if I recall right, has been in place for the last 70 years. So, a 70 year old law is being replaced by a new law, no conclusion can be reached on the basis of one-quarter figures. If you look at all the 22 States, which have adopted VAT, you will find that VAT is showing an increase of revenue by 15.3 per cent. I think we should give time to each State to administer VAT and reach some conclusions only by the end of the *year..(interruptions)...* As far as assistance is concerned, we have provided some amount in the Budget for compensating the States according to a pre-agreed formula. Once the Accountant-General reconcile figures are available, if there is a loss due to the administration of VAT rates, the Government of India will compensate the States 100 per cent in the first year, 75 per cent in the second year and 50 per cent in the third year. This formula is also a formula not imposed by me but agreed to by the State Finance Ministers.

डा0 मुरली मनोहर जोशीः सर मेरा दूसरा प्रश्न इस में यह है कि बहुत से राज्यों की दरें जब हम देखते हैं तो पाते हैं कि उस में बहुत अंतर है। ऐसा नहीं है कि सभी में ग्रोथ रेट बहुत यूनिफार्म हो । उस में बहुत difference है । इसके बारे में केन्द्र सरकार क्या उन को राय देगी, क्या सलाह करेगी कि किसी तरह से जो रेवेन्यू की ग्रोथ रेट है, उसमें इतना difference न हो? क्योंकि फिर इसकी वजह से आगे Inter-State trade के अन्दर distortions पैदा हो जाएंगे। मैं यह जानना चाहूंगा कि इन सबके ग्रोथ रेट करीब-करीब यूनिफार्म हों, क्या ये इसके लिए भी कोई रास्ता निकालेंगे?

श्री सभापतिः ये तो नहीं निकाल सकते।

SHRI P. CHIDAMBARAM: Sir, the growth rate will not be uniform. The growth rate will depend upon the pre-existing tax rate compared to the new VAT rate. If the pre-existing tax rate was a lower rate than the

VAT rate, then the growth will be much higher. If the pre-existing tax rate was higher the growth will be lower. It will not be uniform. In fact, VAT will make the tax rates uniform because all States have agreed to uniform rates. VAT will make the tax rates uniform and because uniform VAT rates will be imposed this will be not trade distortionary. Since hon. Member, as I gather from the thrust of the question, seems to be a subscriber to the utility of VAT, I would urge him to ask States which have not yet joined VAT to join VAT.

SHRIJAIRAM RAMESH: I would like to know from the hon. Minister whether there is any particular reason why Haryana is not mentioned in the Table because Haryana is the first State to have introduced VAT. Secondly, Sir, in the meeting of Chief Ministers, in which you were also present last week, which I had the privilege to moderate, the Chief Minister of Uttar Pradesh categorically said that he would not introduce VAT in UP. The Chief Minister of Gujarat pointed out that it would be too onesided to know that only revenue buoyancy has an index of VAT's effect and should also look at the incidence on specific consumer prices. I would like to know whether the hon. Minister has taken any steps to take into account these concerns of the Chief Ministers.

SHRI P. CHIDAMBARAM: Sir, Haryana is not included in this Table because Haryana's VAT was a *suo motu* voluntary exercise before the Empowered Committee formula was arrived at. So, Haryana is really a forerunner and path-breaking State in this behalf. That is why Haryana is not included in the post VAT analysis that we have made. But I entirely endorse what the hon. Member has said. Haryana is showing tax revenue buoyancy in the first year as well as in the second year. I am sure other States will also witness the same experience as time goes by. As far as UP and Gujarat are concerned, I think that one should be kind to the Chief Ministers. I think, they are being persuaded to introduce VAT. While they may have some concerns, both Dr. Asim Dasgupta, the Chairman of Empowered Committee and I are quite willing to meet them, any time, any place, anywhere to allay these apprehensions. But I think if the sense of this house is conveyed to these Chief Ministers that VAT is the way to go, I am sure, both Uttar Pradesh and Gujarat will come around to introducing VAT. Now, it is wrong to believe that VAT will raise consumer prices. Preliminary studies done by many Chambers of Commerce shows that VAT has not had an adverse impact on consumer prices. Look at the

WPI inflation in the current year after VAT was introduced. It is 3.84, a . low of two years. The CPI inflation is between 3 and 3.5. So VAT has not had an adverse impace on consumer prices.

SHRI PENUMALLI MADHU: Sir, the Empowered Committee has decided to collect uniform sales tax all over India, particularly, on tea. Out of 21 States in India which are under VAT, 20 States are collecting 4 per cent Sales Tax for tea whereas only in Andhra Pradesh, 12.5 per cent is collected. Our hon. Minister is telling us that the prices have not gone up. It is very well given in the Press, in every place it is very much visible, the prices of tea and coffee have gone up only in Andhra Pradesh. Only in Andhra Pradesh, 12.5 per cent is collected and nowhere else. I want the hon. Minister to reply to this question.

MR. CHAIRMAN: Question Hour is over.

WRITTEN ANSWERS TO STARRED QUESTIONS

Import of petroleum products

*301. SHRI S. ANBALAGAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the quantum of petroleum products imported by the country and the amount spent thereon during each of the last three years;

(b) the present need for the petroleum products and the percentage of which is met by the indigenous production;

(c) whether any fresh efforts are proposed to be made by Government for the exploration of oil so as to meet the domestic demand for petroleum products and to reduce the oil bill; and

(d) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANISHANKAR AIYAR): (a) The quantum of petroleum products imported during the last three years and amount spent thereon are as under:

Year	Qty. (MMT)	Value (Rs. in Crore)
2002-03	7.2	8847
2003-04	8.0	9723
2004-05	8.8	14887